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SUBJECT: EAST CHINA'S SOUTH KOREAN COMMUNITY

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¶1. (SBU) Summary: Since the establishment of diplomatic relations in August 1992, South Koreans have flocked to Shanghai in search of economic and educational opportunities. More than 110,000 South Koreans live in east China (Anhui, Jiangsu and Zhejiang provinces and Shanghai), with some 70,000 in Shanghai alone. The community has its own schools, churches and business organizations. Major concerns include ongoing frictions with the local authorities, particularly environmental concerns for businesses and the extent of religious freedom for different churches, and access to education. Despite these problems, most people with whom we met predicted that the South Korean community in Shanghai and the surrounding regions would continue to grow and contribute to closer relations between the two countries. End Summary.

Exploding Migrant Community

¶2. (U) From late June to mid July, Poloff met with various representatives from South Korean communities in Shanghai and surrounding regions to find out more about their experience in East China. For Korea in the modern times, there is no other foreign city more important as a historical landmark than Shanghai. The Korean Provisional Government was founded in Shanghai in 1919, and Shanghai was a major center of Korean nationalist resistance against the Japanese occupation of Korea. With the establishment of formal ties between Seoul and Beijing in 1992, finally ending the long Cold War hiatus between the two countries, South Koreans began to flock to Shanghai again in search of various commercial and/or educational interests and opportunities.

¶3. (U) While estimates vary, according to the June 2007 quarterly report released by the joint Korean Chamber of Commerce in East China (covering Anhui, Jiangsu and Zhejiang provinces and Shanghai), there are around 70,000 South Korean nationals residing in Shanghai, and the number is expected to reach 100,000 by the year 2010. In addition to Shanghai, other cities in the region with a significant South Korean population include Suzhou (25,000), Yiwu (7,000), Wuxi (7,000) and Nanjing (5,000). According to Mr. Jae-won Jun, a Consul at the South Korean Consulate in Shanghai, 3.9 million visited China in 2006, with 1 million to Shanghai alone.

14. (U) According to the Shanghai Korean United Church's Reverend Um Ki Young, South Koreans in Shanghai are concentrated in the Minhang district (around 85 percent of the population) and Pudong district (around 15 percent). Numbers residing outside of Minhang and Pudong districts are negligible. Prior to China's accession to the World Trade Organization in 2001, the Chinese government had designated all the foreign nationals in Shanghai to live in the Gubei area. After the restriction was lifted, most South Koreans moved to the adjacent and newly developing Minhang district, just outside of Gubei and began to concentrate in that area. Availability of different South Korean churches, food stores, restaurants and schools made living in the Minhang district appealing for many South Koreans.

15. (U) Many interviewees commented that perhaps the most important characteristic that distinguishes South Koreans in Shanghai and rest of China from many South Korean communities abroad was the fact that their stay in China was never meant to be permanent. The Chinese government does not recognize any sort of permanent immigration by foreigners, unlike their counterparts in places like the United States and Canada, and South Koreans defined their stay in China as wholly temporary.

Economic Opportunities

16. (U) Most South Koreans residing in Shanghai and surrounding areas came to China for commercial interests. According to the joint Korean Chamber of Commerce in East China's June 2007 report, there are over 8,000 South Korean companies in the region, and around 3,200 in Shanghai alone. Other cities in the region with significant number of South Korean businesses are Yiwu (3,000), Suzhou (890), Nanjing (200), Wuxi (200), Ningbo (120), Hefei (100), Zhangjiagang (83), Lianyungang (78), Jiaxing

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(60), Yancheng (53), Hangzhou (50) and Nantong (50). According to Mr. Jun, the size of these businesses ranged from giants like Samsung and LG to small shops selling trinkets. Typically larger businesses were concentrated in Shanghai, while smaller ones dotted the cities in the interior.

17. (SBU) Poloff attended the joint meeting of the Korean Chamber of Commerce in East China from June 29-July 1 and met with many Korean business representatives. Many of these representatives identified the prospective Free Trade Agreement (FTA) between South Korea and China as a major issue for South Korean businesses in China. An official representative of the South Korean Ministry of Foreign Relations and Trade from Seoul briefed the participants on the prospective China-South Korea FTA. Although the new administration in power after the December 2007 South Korean Presidential Election may change direction, the current South Korean government was cautiously pushing for FTAs with the European Union and China to follow the FTA agreement with the United States. China was the most important economic partner for South Korea and its significance was even greater considering the entities under its sphere, Hong Kong, Macao and Taiwan. South Korea had its biggest trade surplus with China and around 24 percent of South Korea's total foreign investments went to China. However, the presenter also spoke of concerns and potential dangers of the FTA with China. Agriculture and manufacturing industries were expected to be hit hard, and there were also fears that the FTA may help China to catch up technologically with South Korea at a faster rate. Furthermore, there were worries that South Korea may become too economically dependent upon China.

18. (SBU) The presenter said that there were two main motivations behind Beijing's endorsement of the FTA between China and South Korea. First, China wanted to establish Chinese leadership/hegemony in Northeast Asia by drawing South Korea into its sphere and increasing its influence in East Asia's political economy. Second, China would like to eventually have FTAs with the United States and European Union and was using the

FTA with South Korea as an experiment. Beijing was also expecting that the FTA with South Korea would help to modernize the Chinese economy. On Seoul's side, the presenter expected an increase in the South Korean GDP and trade with China. For specific industries, including automobiles, mechanical and petrochemicals, the South Korea-China FTA was expected to be beneficial, while damaging for the steel and textile industries. The presenter expected the negotiations between Beijing and Seoul to begin within the next five years.

¶9. (SBU) Relations between local governments and Korean businesses varied. In Wuxi, where there was an algae outbreak in May that polluted the water, companies were under significant pressure to conserve water. Hynix Semiconductors (formerly a part of the Hyundai Group), for instance, was blamed by the local people for overusing water and causing pollution in the area. The Lianyungang authorities began issuing warnings against companies without sufficient wastewater treatment facilities, and even forced some companies to move out. On the other hand, South Korean companies in Yiwu launched an environmental preservation movement which not only made the Korean companies more popular in the region, but appeared in a Beijing television program, improving the overall image of Korean businesses in China. The Yancheng representative said that the general image of Korean businesses and businesspersons was so positive in Yancheng that the local government even put up road signs in Korean. He was once caught speeding but the policeman let him go without issuing a traffic ticket after he found out that he was a Korean businessman. However, many Korean businesspersons also damaged the reputation of Koreans in China by reneging on business deals and fleeing China. Another topic that came up was the issue of prostitution. The Chinese police were on the alert about prostitution and several Korean businessmen were jailed or deported from China because of illegal activities.

Religious Life

¶10. (SBU) Religious activities were important for the South Korean community, and have been growing despite the Chinese government's wary attitude. There are three Buddhist, one Catholic, and around 20 Protestant churches catering to the South Korean population in Shanghai, and many expected that the number of religious centers would continue to increase in the near future. According to Mr. Jun, churches, temples and other

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religious centers were often the place where many South Koreans socialize, and especially important for newcomers who often find help at these places in adjusting to the new life in China. Rev. Um said the Korean United Church, for example, was playing a big role in the community by providing a place where Koreans could gather together to cultivate national identity and carry out cultural programs. The Korean United Church operates a kindergarten as well, providing daycare services for young children. He also mentioned that the Church played a role in policing and providing advice to the deviant teenagers, and was in fact a significant help to the Chinese police.

¶11. (SBU) The Korean United Church (Protestant) in the Minhang district was the largest and the only officially recognized South Korean church in Shanghai with around 3,500 regular attendees. Rev. Um said that the first Protestant gathering was in 1993, when a small group of families regularly got together for services. This group grew to about 300 to 400 people by the year 2000, and joined the Three-Self Patriotic Movement/China Christian Council (TSPM/CCC), the official Protestant Church of China, and conducted services under its supervision. There were significant cultural differences between the TSPM/CCC and the South Korean Protestant Church, and the TSPM/CCC often tried to impose its standards on the South Korean Church. While the South Korean Church regularly carried out late night or early morning services and had many programs for children, the TSPM/CCC Church did not have such programs nor did it understand

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them. In 2004, the South Korean church moved to a new building for themselves, after winning a concession from the local government and the TSPM/CCC that allowed them to conduct services without TSPM/CCC input or representatives from the TSPM/CCC.

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¶12. (SBU) In addition to the Korean United Church, there were approximately 20 smaller Protestant groups gathered in groups of families independent of the Korean United Church. Dr. Choi BooDeuk, an architect and a representative of the South Korean Catholic Church, said that there were about 1,500 registered regular attendees and around 500 irregular attendees for the South Korean Catholic Church. Unlike the South Korean Protestants, the Catholic Church worked with the Chinese Catholic Church in conducting their services. According to Mr. Jun, there were three South Korean Buddhist temples in Shanghai catering to the current few hundred -- but nevertheless rapidly growing -- South Korean Buddhist population.

¶13. (SBU) All of the religious representatives noted that there were ongoing missionary activities by South Korean missionaries in China. However, they were reluctant to discuss this issue and said that the missionaries' activities had little to do with their operations. Missionaries came to China from abroad and were not affiliated with the local churches. Mr. Jun said that while he had heard of few cases of missionaries getting caught by the Chinese authorities and being jailed or deported from China in other provinces, he has not heard of any case in Shanghai. Religious representatives also said that the Chinese government had restricted them to cater only to the South Korean population, and to exclude both the Korean-Chinese and North Koreans from services.

¶14. (SBU) Although the South Korean protestant group was able to get their own church and practice their faith with little interference, tensions remained. Rev. Um mentioned that the Protestants, for example, were still upset about the Chinese government's policy of grouping all Protestants into one group, arguing that there were often incompatible differences among the different Protestant groups. However, religious representatives noted that the situation had progressively improved and they were hopeful for the future. Dr. Choi stated that the Chinese government was troubled by the widespread materialistic attitudes in society after the implementation of economic reforms, and may utilize religions to reestablish moral values in the society as other countries had done. He also mentioned that the establishment of full diplomatic relations between China and the Vatican, if it occurred, may also significantly improve the religious situation in China.

Education

¶15. (U) Education was a big concern for South Koreans, and a significant number came to Shanghai and its surrounding areas just for study. The growing number of South Korean students in China reflected increasing influence and importance of China and

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Chinese language in the world, especially to the geographically proximate South Koreans. Although the measurements varied, there were between some 6,000 to 8,500 South Korean students in different colleges and universities in Shanghai. According to the June 7 joint Korean Chamber of Commerce in East China report, other cities in the region with significant Korean college/university student population are Nanjing (1,000), Suzhou (500) and Yiwu (200).

¶16. (SBU) According to Professor Sun Kezhi, an ethnic Han Chinese scholar specializing in Korean history at Fudan University, there are approximately 1,000 South Korean students

in Shanghai and the surrounding regions. Despite the large and growing number of South Korean students at Fudan University, South Korean students, in general, lagged behind their peers and frequently did not attend class. Professor Sun opined that most of the South Korean students at Fudan could not gain admission to first-rate schools in South Korea but still wanted to go to a big name school such as Fudan. It was relatively easy for foreigners to gain admission to the Chinese universities. Professor Sun said that while there were some South Korean students who worked hard, they constituted a small minority. The South Korean Students Union functioned largely as a social club. The non-participating South Korean students were often ostracized by their South Korean classmates, and those who did participate often progressively lost their Chinese language skills as they were surrounded by South Koreans and did not mix with Chinese students. According to Sun, such trends among South Korean students were observed by his colleagues teaching in other colleges and universities in Shanghai and elsewhere.

¶17. (U) While most primary and secondary South Korean students in Shanghai and surrounding areas were children of those who came to China for business, there are also a few primary and secondary school students who came by themselves to acquire proficiency in Mandarin by living and attending school in China. According to Mr. Lee Kil Hyun, the principle of the South Korean school (grades 1 to 12), about one-third of South Korean children attend the South Korean school and the remaining two-thirds either attend local Chinese schools or other international schools (including the American School). Mr. Lee added that different schools offered different advantages. Many students and parents choose the American or British school to teach their children English and to send them off to colleges and universities in the United States or the United Kingdom. The Chinese schools offered an opportunity to gain fluency in Mandarin. The South Korean school's appeal was the chance to learn or retain Korean language skills and an opportunity to gain admissions at South Korean colleges and universities. There were also several weekend Korean language schools in Shanghai and other cities for young children. However, as the Zhangjiagang representative of the Korean Chamber of Commerce mentioned, in areas where there are not many Koreans around, like Zhangjiagang, many Korean children cannot speak Korean because there are no Korean teachers or schools nearby.

¶18. (U) The South Korean school in Shanghai was among the 28 officially-recognized South Korean schools abroad. Nine of the 28 are located in China. The school, with more than 1,000 students, has grown significantly since it was established in 1999 with 43 students. There are currently 647 students in the elementary division (grades 1 to 6), 180 in the middle division (grades 7 to 9) and 248 in the high division (grades 10 to 12). Because of rapidly increasing enrollment, the school just finished constructing a new building complex and moved in last year. The South Korean school caters exclusively to the South Korean nationals and is an important community institution for the South Koreans in Shanghai. Teachers mentioned that one goal of the South Korean school was, due to China's rise in the international scene and its growing relationship with South Korea, to develop the South Korean students as the next generation's China experts. Teachers also noted that many students experienced confusion growing up in a foreign setting, and the problem was amplified by the general lack of cultural activities specifically for Korean students and advising by trained adults.

Korean Chinese and North Koreans

¶19. (SBU) Although miniscule in number compared to their South Korean counterparts, there reportedly are a small number of North Koreans living in Shanghai and the surrounding areas. In separate interviews on June 15 and 18, Gong Keyu, Yu Yingli and

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Xue Chen of the Shanghai Institute for International Studies

said that there are around seven North Korean restaurants in Shanghai, and North Korean scholars and officials sometimes visited Shanghai for research and exchange with their Chinese counterparts. They noted that North Koreans always traveled in groups in order to keep an eye on each other, and they were difficult to contact. Professor Sun mentioned that while there were some North Korean students studying in the Shanghai area before, none remained after the economic reforms were implemented, and this was also the case for other parts of southern China. He said that there currently are some North Korean students studying in Beijing and few other places in the Northeast. None of the interviewees spoke of any real contacts between North Koreans and South Koreans.

¶20. (SBU) All the interviewees spoke of Korean-Chinese as a staunchly closed and distinct group which often stayed aloof from both the South Korean and the Han Chinese communities. As Chinese nationals, Korean-Chinese were not permitted to join their South Korean counterparts in many educational and religious programs exclusively designated for the South Korean nationals. However, many Korean businesses and educational institutions hired Korean-Chinese especially because of their fluency in both the Korean and Mandarin languages. Professor Sun mentioned that Korean-Chinese students and professors at Fudan University tended to be a closed group with limited interaction with either the Han Chinese or the South Koreans. There was little cooperation between the History Department, where Prof. Sun teaches Korean history, and the Korean language program, which was completely dominated by the Korean-Chinese scholars, because Korean-Chinese professors tended to be uncooperative and did not want to work with Han Chinese scholars in Korean Studies.

Comment

¶21. (SBU) While sharing many common problems and concerns with other foreign communities living in Shanghai and surrounding areas, the South Korean community nevertheless constituted a unique group among the foreigners in Shanghai. One notable difference was the physical distance between China and South Korea, which is much less, when compared to Europe or the United States. Shanghai is less than a two hour flight from Seoul, making communication and travel relatively easy and convenient for the South Koreans. In addition, the general perception among Chinese of the South Koreans is different from their perception of Westerners and the Japanese. In contrast to the bitter historical memories the Chinese have towards the British, French, German, Americans, Russians and the Japanese, South Koreans are free from such historical "guilt" and resulting suspicion that taints the other communities in the Chinese eyes. According to Mr. Xue, "hallyu" or the "Korean culture wave" in China has also influenced Chinese popular culture in important ways and improved the overall image of South Koreans in China.

¶22. (SBU) The existence of a significant native Korean population in China, some two million Korean-Chinese, mostly concentrated in Northeast China but with a significant number in Shanghai, who are mostly raised bilingual in both Korean and Chinese cultures, is an important asset for the South Koreans. Despite some tensions between Korean-Chinese and South Koreans, Korean-Chinese have provided invaluable help for many South Korean businesses with their language skills as well as their knowledge and understanding of the Chinese society and culture. Despite the long Cold War hiatus, the South Korean-China relations have become increasingly important for both countries, and the rapidly growing South Korean population in Shanghai and elsewhere in China is testimony to such development.

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